



# Atom & The Recovery Loan Scheme (RLS)

This form should be completed by the borrower.

Please upload this when you submit your application in Portal.

## Atom is committed to providing small businesses with ongoing support as they continue to adapt to the lasting effects of the Coronavirus pandemic.

We have joined the government backed Recovery Loan Scheme (RLS) and are now able to offer secured loans to businesses that have been impacted by the coronavirus pandemic and are looking to borrow between £250k and £5m.

This guide will provide you with guidance on whether a secured RLS loan is right for you and your business and whether you'll be eligible for a loan with Atom.

The information contained in this guide is correct on the date of publication. For the latest information about the scheme and other support available for businesses please visit the UK Government's support for business page:

<https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>

## The Recovery Lending Scheme (RLS)

The Recovery Loan Scheme (RLS) is a UK Government Guarantee Scheme established in April 2021 with the aim of assisting businesses to access finance as they recover and grow following the COVID-19 pandemic.

RLS aims to help businesses affected by COVID-19 and can be used for business purposes, including, managing cashflow, investment and growth. It is designed to support businesses that can afford to take out additional finance for these purposes. Businesses who have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme.

A key aim of the Recovery Loan Scheme is to improve the terms on offer to businesses, but if a lender can offer a business the choice of a commercial loan on better terms, without requiring the guarantee provided under the RLS, they should do so. The Scheme will run until 31 December 2021, subject to review.

## Scheme Features

The RLS Guarantee is provided by the UK Government to Atom and not to you as the borrower. It enables Atom to provide the borrower with funding that we might otherwise have been unable to provide, due to the Coronavirus (COVID-19) pandemic.

### Liability

- The provision of the RLS Guarantee does NOT remove any of the borrower's liability for repaying the RLS-Supported Facility (nor, if applicable, does it reduce the liability of any Personal Guarantor of the RLS-Supported Facility).
- In the event of the borrower defaulting on its loan repayments (for example, failing to make specific repayments as and when they fall due), we are entitled to seek to recover the full amount outstanding from the borrower.
- Any monies received by Atom under the RLS Guarantee does not reduce the borrower's liability in any way.

The maximum amount a business can borrow under RLS cannot exceed the lower of:

- £10m; or one of
- (a) double wage bill for 2019 or the latest available year; (b) 25% of 2019 turnover; or (c) justified liquidity need for the next 18 months

Maximum amount per Group limited to £30m

The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Please note: As with any other commercial transaction, you are always responsible for repayment of the full value of any loan facility supported by RLS. This means that the borrower remains liable for the full balance of the loan at all times and will be responsible for making all payments. Should the borrower fail to repay the loan on time, Atom will seek to recover 100% of the monies owed.

## Eligibility Check

In order to be eligible for a RLS backed loan with us, a borrower must meet the following criteria:

- its business is based in the UK
- the business is or will be engaged in Trading Activity in the United Kingdom at the initial drawdown date
- its business has a borrowing proposal which Atom would consider viable, if not for the coronavirus pandemic
- the borrower can certify that its business has been impacted by coronavirus
- the borrower is able to provide suitable security in line with Atom's commercial lending policy
- the business must generate more than 50% of its turnover from trading activity.
- the business must not be subject to any collections or insolvency proceedings

## Exceptions

The following businesses are not eligible to apply:

- Banks, Building Societies, Insurers and Reinsurers (excluding Insurance Brokers)
- Public Sector bodies
- State funded primary and secondary schools

## Key Loan Terms

**Loan size:** £250k to £5m (subject to assessment)

**Term:** Up to 6 years commitment term

**Repayment type:** Interest only or capital & interest with a bullet repayment at the end of the term.

**Fees:** These will include valuation and legal fees.

**LTV:** Up to 75% available, subject to lending policy and underwriter assessment

**Security:** First legal charge over suitable security (land, property). We may require additional security, this could be in the form of debentures, business guarantees or personal guarantees. Personal guarantees may still be required, at Atom's discretion, for loans above £250,000, but they exclude the Principal Private Residence (PPR) and recoveries under these are capped at a maximum of 20% of the outstanding balance of the RLS loan after the proceeds of business assets have been applied.

**Loan Purpose:** The loan can be used for business investment and growth, to refinance existing debt with another lender, and for cash flow purposes.

I understand the features of the scheme and these have been conveyed to me by the broker.

**ANY PROPERTY OR ASSET USED AS SECURITY MAY BE REPOSSESSED OR FORFEITED  
IF YOU DO NOT KEEP UP REPAYMENTS ON ANY DEBT SECURED ON IT.**

## Want to apply?

If you would like to apply for an Atom RLS loan, in the first instance you should contact your broker who will discuss your business requirements with our Regional Business Development Managers or the Intermediary Support Team to confirm your eligibility. Once we have confirmed you are eligible to apply, we can provide your broker with a quote for the loan.

If you are happy to proceed on the basis of the quote, your broker will guide you through completion of our application forms and submit your application via our digital broker portal alongside this RLS supplementary form.

**We will also ask you to provide the following supporting documents when you apply:**

- Latest 2 years complete accounts, including P&L
- Up to date management accounts and trading performance evidence (including profit & loss and aged debtors/creditors list)
- Evidence of payroll costs or total turnover for 2019
- A copy of your business plan or response to Covid-19.

Once we have assessed your application we will let your broker know our lending decision. If we are happy with the information provided, we may issue an Agreement In Principle (AIP) certificate confirming the anticipated interest rate and payment terms that we could offer you. We will also issue you with the British Business Bank Data Protection and Disclosure Declaration which you must sign and return pre-offer so that we can provide your details to the British Business Bank and they can use it for the purposes stated in the declaration.

The AIP certificate is not a legally binding commitment to offer you the loan, therefore, if you would like to proceed to apply for a loan offer you will need to sign and return the AIP certificate and declaration via your broker. We will then value the security offered as part of your application. Once we have confirmed the security offered is suitable we will issue you with the following:

- **Loan Agreement:** This document provides all the legal terms for your loan, including loan amount, interest rate, conditions to be satisfied for draw down and confirmation of the security you are providing for the loan.
- **RLS Side letter to the loan agreement:** This will detail the RLS-specific provisions applying to your loan.
- Atom bank terms and conditions.

Upon receiving the signed loan agreement from you, we will ask the selected solicitor to start the legal work associated with the loan with the aim of completing the loan and sending you the funds as quickly as possible.

## Not eligible for RLS?

If you don't meet the eligibility requirements for an Atom RLS loan, you may be eligible for other government-backed loan schemes from other lenders. Please speak to your broker about your options.

## Get in touch

Atom RLS loans are only available via brokers and you should discuss your options with your broker in the first instance.

Your broker can discuss new cases with our TBDMs on 03333 99 00 60. They are available Monday to Friday, 9am - 5pm.

Alternatively, they can call their Regional Business Development Manager. They'll be happy to assist you both in any way they can.

# Atom Bank RLS Supplementary Application Form

Business Name (legal name):

Primary Contact Name:

Primary Contact Telephone Number:

Primary Contact Email Address:

Role in Business:

Please provide your Company Registration number.  
If you don't have a Company registration number,  
please provide your Unique Taxpayer Reference  
(UTR) number:

Does your business provide  
goods or services?

Goods

Services

What is the current (or where none, estimated)  
annual turnover of your business (or, if you're a  
Group Company, the aggregate Group turnover)?

How many employees does your business currently have? Where your company is a Group Company, how many employees does the Group have?

Fewer than 10

Between 10 and 49

Between 50 and 249

More than 250

What is your 2019 annual wage costs?

£

**Has your business or any member of your (extended) group obtained any of the following?**

Bounce Back Loan (BBL):

Yes

No

If yes, what is the outstanding balance?

£

Coronavirus Business Interruption loan (CBIL)

Yes

No

If yes, what is the outstanding balance?

£

Coronavirus Large Business Interruption Loan (CLBIL)

Yes

No

If yes, what is the outstanding balance?

£

Recovery Loan Scheme Loan (RLS)

Yes

No

If yes, what is the outstanding balance?

£

Have you received any other Recovery Lending Scheme loans that, if you were granted further RLS finance, would put you over the maximum amount per borrower?<sup>1</sup>

Yes

No

**Please tick to confirm that:**

Your business or any members of your (extended) group does not operate in any of the following industries?

- Banks
- Building Societies
- Insurers and Reinsurers (but not insurance brokers)
- The public sector including state funded primary and secondary schools

Your business is based in the UK

Your business generates more than 50% of its turnover from trading activity

You are able to provide suitable security for a secured loan in line with Atom's lending policy

Your business has been impacted by COVID-19

Please provide details of how COVID-19 has impacted your business

Please tell us how your business has been impacted - e.g. temporarily unable to trade, furloughing of staff, reduced footfall, unable to access stock, staff self isolating, etc. Provide as much detail as possible including any expected costs or loss in revenue as this will help us assess your application and prevent unnecessary delays.

<sup>1</sup>Maximum amount per borrower limited to the lesser of: £10m; or one of double wage bill for 2019 or the latest available year; 25% of 2019 turnover; or justified liquidity need for the next 18 months. Maximum amount per Group limited to £30m. The outstanding balance of any existing RLS/CBILS/CLBILS (but not BBLs) facilities will need to be deducted from the maximum amount a business can borrow.

What will you use the RLS facility for?

Please breakdown how you will use the funds from this loan. This could be by month for wage spending, or as a combination of capital investment, small purchases for PPE, staff training etc or could be a combination of reasons. Please provide full details including forecasts where possible, as this will prevent delays in assessing your application.

Please self certify your liquidity needs for the next 18 months



## The Northern Ireland Protocol

Certain Borrowers under the Scheme based in Northern Ireland or with operations in Northern Ireland are subject to State aid and are subject to separate reporting requirements to the EU Commission.

In order for us to determine whether or not your business falls in scope of the Northern Ireland (NI) Protocol, you must complete the location questions below.

If you answer 'yes' to any of these questions, you may be within the scope of the NI Protocol and you will then need to complete the 'EU Undertaking in Difficulty Test' section of this form. If you answer no to all of these questions, you then need to complete the 'Great Britain Test' section of this form.

### Location Questions

1. Does your business, its subsidiaries, parent company or operations participate in the wholesale electricity markets in Northern Ireland insofar as it applies to the generation, transmission, distribution and supply of electricity, or does it trade in wholesale electricity or involve cross-border exchanges in electricity? <sup>2</sup>	Yes	No
2. Is your business (this is the legal entity proposing to borrow the RLS facility) established or registered in Northern Ireland?	Yes	No
3. Does your business have any active subsidiaries, an active parent company and/or operations in Northern Ireland? Or does your business have plans to operate any subsidiaries, or establish other operations in Northern Ireland within the next three years? <sup>3</sup>	Yes	No

If you answered yes to any of the three location questions, you may be within the scope of the Northern Ireland Protocol.

If your answer is no to each of the three location questions, then your business is outside of the scope of the Northern Ireland Protocol.

Atom will use and rely on your answers in this questionnaire when processing your application.

<sup>2</sup> Note to applicants: If your business engages in generation, transmission, distribution or supply of electricity, trades in wholesale electricity or is involved in cross-border exchanges in electricity, but does not participate in the wholesale electricity markets in Northern Ireland, you should answer no to this question.

<sup>3</sup> Note to applicants: secondary economic effects, such as a general increase in the sale of goods to Northern Ireland does not constitute State aid and are therefore outside the scope of Article 10 of the Northern Ireland Protocol. Therefore, where a subsidy (which would include a facility under the Recovery Loan Scheme) is provided to a business in Great Britain, and a business then simply places goods on the NI market alongside other markets then this will not be in scope of Article 10 of the Northern Ireland Protocol. If this is the case, then you should answer no to question 3. However, subsidies that have the effect of channelling advantages to one or a select group of enterprises in Northern Ireland may be in scope of Article 10 of the Northern Ireland Protocol. If this is the case, then you should answer yes to question 3.

# Great Britain Test

Are you subject to Relevant Insolvency Proceedings<sup>4</sup> at the date of this application?

Yes

No

**If the answer is yes, you are not eligible for a RLS loan with Atom.**

**If the answer is no, please make sure you complete page 18 of this form before submitting.**

# EU Undertaking in Difficulty Test

Are you an 'Undertaking in Difficulty' at the date of this application?

Yes

No

If yes, were you an 'Undertaking in Difficulty' as at 31 December 2019?

Yes

No

For guidance on whether your business is classed as an 'Undertaking in Difficulty' please head to:

[www.digitalmortgages.net/documents/business/rls/uid](http://www.digitalmortgages.net/documents/business/rls/uid)

**If you select no for both of the above questions, please make sure you complete page 18 of this form before submitting.**

If you select yes for either of the above questions after completing the first location question set and your business is based in Northern Ireland, please head to the 'Additional Location Question Set: NI' section of this form.

If you select yes for either of the above questions after completing the first location question set and your business is based in Great Britain, please head to the 'Additional Location Question Set: GB' section of this form.

<sup>4</sup> Relevant Insolvency Proceedings' means the following UK proceedings:

- a. Winding-up by or subject to the supervision of the court;
- b. Creditors' voluntary winding-up (with confirmation by the court);
- c. Administration, including appointments made by filing prescribed documents with the court;
- d. Voluntary arrangements under insolvency legislation;
- e. Bankruptcy or sequestration.

# Additional Location Question Set: Northern Ireland

## For Northern Ireland-based businesses

If you have been identified as being potentially in scope of the NI Protocol, then these questions are designed to obtain further information on the purpose of your facility and will be used to ascertain whether you could be considered to be 'out of scope'. We will use and rely on these answers when reviewing your application.

If your business (this is the legal entity proposing to borrow the RLS facility) is established or registered in Northern Ireland please answer the below:

1. Is your business active in the agriculture or fisheries/aquaculture sectors? Yes (go to question 4)

If the business is engaged in the production, processing or marketing in agricultural products or fishery and aquaculture products, the answer is "yes" to this question.

No (go to question 2)

2. Does your business (in whole or in part) engage in the manufacture or sale of goods that are traded between Northern Ireland and the European Union (whether by you or, to your knowledge, by third parties based in Northern Ireland or in the European Union)? Please answer yes if you have plans to start manufacturing or selling such goods in the next three years. Yes (go to question 4)
- No (go to question 3)

3. Does your business involve the provision of services that are specifically tailored to the needs of a customer(s), which enable them to manufacture or sell goods that are traded between Northern Ireland and the European Union? Yes

If your business provides general services that may be used by, but are not specifically targeted at, customers that manufacture or sell goods that are traded between Northern Ireland and the European Union you should answer no to this question.

**If yes** – your business is within scope of the NI protocol as it supplies services tailored to a NI-based customer (or customers) active in the manufacture or sale of goods and you are **not** eligible for an RLS loan.

**If no** – your business is not within scope of the NI protocol as it is a NI-based company that is not active in the manufacture or sale of goods traded with the EU or the supply of services tailored to a NI-based customer (or customers).

No

4. Does your business also provide services?

Yes (go to question 5)

Activities that involve the exchange in ownership of a product will not constitute services.

**If no** – your business is within scope of the NI protocol and you are **not** eligible for an RLS loan

No

5. Will you use the RLS facility only to support the provision of services (provided such services are not specifically tailored to customers active on the NI market) and not the (actual or planned) manufacture or sale of goods (including agricultural produce and/or the production or processing of fish or aquaculture products) and/or, if your business is active in the wholesale electricity markets, the generation, transmission of electricity, electricity trading or cross-border exchanges in electricity?

Yes (go to question 6)

No

**If no** – your business is within scope of the NI protocol and you are **not** eligible for an RLS loan

6. Can you demonstrate that the RLS facility will not cross-subsidise any activities mentioned in question 5 above, e.g. by freeing up capital for use in any of those (actual or planned) activities.

Yes

To answer yes to this question, your business must have processes to allow you to identify the specific funding arrangements, working capital/other requirements that relate to both goods and/or services. Recording individual financial results for business units supplying goods or services will support this determination.

No

You may be required to supply evidence of this for up to 10 years from the date the facility is granted.

**If yes** – your business is not within scope of the NI protocol as it is an NI-based company that is active in the manufacture or sale of goods traded with the EU and in the supply of services, where the purpose of the facility is for services and sufficient segregation from the goods part of business exists.

**If no** – your business is within scope of the NI protocol as it is a NI-based company that is active in either the agriculture or fisheries sectors, the generation, transmission, distribution or supply of electricity, or the manufacture or sale of goods traded with the EU and in the supply of services, where the purpose of the facility is for services but insufficient segregation from the goods part of the business exists

## For Northern Ireland-based businesses continued...

If you are an 'Undertaking in Difficulty', and, through answering this additional question set you have determined that you are within scope of the NI Protocol, you are not eligible for a RLS facility.

If you have determined that you are outside the scope of the NI Protocol, please complete the 'Great Britain Test' section of this form.

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**If you do not answer this questionnaire honestly, and you are in scope of the NI Protocol and subsequently receive a RLS facility, your facility may have to be repaid, and you may have to pay costs associated with the enforcement of any action in relation to your facility.**

# For Great Britain-based businesses

If you have been identified as potentially "in scope" of the Northern Ireland Protocol, these additional questions are designed to obtain further information on the purpose of your facility and will be used to ascertain whether you could be considered to be "out of scope". Atom will use and rely on your answers in this questionnaire when processing your application.

If your business has any active subsidiaries, an active parent company and/or operations in Northern Ireland or has plans to operate any subsidiaries, or establish other operations in Northern Ireland, within the next three years<sup>5</sup>.

1. Is the facility only to support your Great Britain-based business and not your Northern Ireland-based business or operations? Yes (go to question 2)

No (go to question 3)

2. Are your Great Britain-based and Northern Ireland-based businesses or operations sufficiently segregated to ensure that any RLS facility taken by your Great Britain-based business will not cross-subsidise your Northern Ireland-based business activities or operations? Yes

No (go to question 3)

To answer yes to this question:

- your business units in each location must record individual financial results.
- you must have processes within your business which are able to identify the specific funding arrangements for working capital/other requirements that relate to the business, separately between Great Britain and Northern Ireland points of supply.

**You may be required to supply evidence of this for up to 10 years from the date the facility is granted.**

**If yes** – your business is not in scope of the NI protocol as your business is a GB-based company with a NI branch or subsidiary with clear segregation between GB and NI businesses where the facility is only for the GB

<sup>5</sup>Secondary economic effects, such as a general increase in the sale of goods to Northern Ireland does not constitute State aid and are therefore outside the scope of Article 10 of the Northern Ireland Protocol. Therefore, where a subsidy is provided to a GB business, and a business then simply places goods on the NI market alongside other markets then this subsidy will not be in scope of Article 10 of the Northern Ireland Protocol. However, subsidies that have the effect of channelling advantages to one or a select group of enterprises in Northern Ireland may be in scope of Article 10 of the Northern Ireland Protocol.

3. Are your subsidiaries, parent company and/or operations in Northern Ireland active in the agriculture or fisheries sectors?

Yes (go to question 6)

If the business is engaged in the production, processing or marketing in agricultural products or fishery and aquaculture products, the answer is "yes" to this question.

No (go to question 4)

4. Do your subsidiaries, parent company and/or operations in Northern Ireland manufacture or sell goods that are traded between Northern Ireland and the European Union (whether by you or, to your knowledge, by third parties based in Northern Ireland or in the European Union)? Please answer yes if you have plans to start manufacturing or selling such goods in the next three years.

Yes (go to question 6)

No (go to question 5)

5. Does your business (including any Great Britain and Northern Ireland entities) provide services that are specifically tailored to the needs of a customer or customers, which enable them to manufacture or sell goods that are traded between Northern Ireland and the European Union?

Yes

No

If your business provides general services that may be used by, but are not specifically targeted at, customers that manufacture or sell goods that are traded between Northern Ireland and the European Union you should answer no to this question.

**If yes** – your business is in scope of the NI protocol as you are a GB-based company that supplies services tailored to a NI-based customer (or customers) active in the manufacture or sale of goods. Therefore you are **not** eligible for an RLS loan

**If no** – your business is not in scope of the NI protocol as it is a GB-based company that is not active in the manufacture or sale of goods traded with the EU or the supply of services tailored to a NI-based customer (or customers). **Please now complete the 'Great Britain Test' section of this form.**

6. Does your NI business also supply services?

Yes (go to question 7)

Activities that involve the exchange in ownership of a product will not constitute services.

**If no** – your business is in scope of the NI protocol as it is a GB-based company with NI branch/subsidiary without clear segregation between GB and NI businesses that is either active in the agriculture and fisheries sectors, active in the generation, transmission, distribution or supply of electricity, or active in the manufacture or sale of goods traded with the EU and not active in services. Therefore you are **not** eligible for an RLS loan..

No

7. Will you use the RLS facility only to support the provision of services (provided such services are not specifically tailored to customers active on the NI market) and not the (any actual or planned) manufacture or sale of goods (including agricultural produce and/or the production or processing of fish or aquaculture products) and/or, if your business is active in the wholesale electricity markets, the generation, transmission of electricity, electricity trading or cross-border exchanges in electricity?

Yes (go to question 8)

**If no** – your business is in scope of the NI protocol as it is a GB-based company with NI branch/subsidiary without clear segregation between GB and NI businesses that either active in the agriculture and fisheries sectors, active in the generation, transmission, distribution or supply of electricity, or is active in the provision of both services and the manufacture or sale of goods traded with the EU, where the facility will be used in part to support the non-services activities. Therefore you are **not** eligible for an RLS loan.

No



8. Can you demonstrate that the RLS facility will not cross-subsidise any activities mentioned in question 7 above, e.g. by freeing up capital for use in any of the (actual or planned) activities mentioned.

Yes

No

To answer yes to this question, your business must have processes to allow you to identify the specific funding arrangements, working capital/other requirements that relate to both goods and/or services. Recording individual financial results for business units supplying goods or services will support this determination.

You may be required to supply evidence of this for up to 10 years from the date the facility is granted.

**If yes** – your business is not in scope of the NI protocol as it is a GB-based company with NI branch/subsidiary without clear segregation between GB and NI businesses that is active in the provision of both services and either the agriculture and fisheries sector, the generation, transmission, distribution or supply of electricity, or the manufacture or sale of goods traded with the EU, where the facility will be used only for out-of-scope services.

**If no** – your business is in scope of the NI protocol as it is a GB-based company with NI branch/subsidiary without clear segregation between GB and NI businesses that is active in the provision of both services and either the agriculture and fisheries sector, the generation, transmission, distribution or supply of electricity, or the manufacture or sale of goods traded with the EU, without sufficient evidence that the facility will be used only for out-of-scope services.

If you have determined that you are within scope of the NI Protocol, you are not eligible for a RLS facility.

If you have determined that you are outside the scope of the NI Protocol, please complete the 'Great Britain Test' section of this form.

If you do not answer this questionnaire honestly, and you are in scope of the NI Protocol and subsequently receive a RLS facility, your facility may have to be repaid, and you may have to pay costs associated with the enforcement of any action in relation to your facility.

Atom will rely on the information provided in this form to assess your eligibility for a RLS loan. By signing below you are confirming on behalf of the business that all of the information and the answers provided in this form are true and accurate.

Business Name:

Signature:

Print Name:

Role in business:

Date:

# Atom & The Recovery Loan Scheme (RLS)

The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy & Industrial Strategy. British Business Bank plc is a development bank wholly owned by HM Government. It is not authorised or regulated by the PRA or the FCA. Visit <http://www.british-business-bank.co.uk/recovery-loan-scheme>